

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

KM Practices in Courier Industry – An Exploratory Study

Dr. Ankit Mehrotra

Faculty, Department of Information Systems, Jaipuria Institute of Management, Lucknow, U.P., India

Dr. Reeti Agarwal

Faculty, Department of Marketing, Jaipuria Institute of Management, Lucknow, U.P., India

Abstract:

Information has become the key to a company's success today be it information about your customers, your competitors, the market, economy or any other factor that might affect the company's success or failure. However, with this overload of information the challenge facing organizations is the need to sieve this data to be able to gain valuable information which can be used to increase the effectiveness and the efficiency of the company. Information technology can help play a major role in the management and use of required information with Knowledge Management (KM) being an operative concept to help companies manage this information richness. The present study explores the KM initiatives taken in a particular industry i.e. the courier industry. Data has been collected from 8 courier companies to find out how data is captured, updated and disseminated by the courier companies.

Keywords: Knowledge management, data capturing, data dissemination, courier industry

1. Introduction

With increasing competition, every company is on the lookout for innovative ways in which it can sustain itself in the market. One aspect which companies have come to realize can go a long way in making their business more effective and efficient is by gaining proper business intelligence. The basis of this intelligence is an enhanced management and utilization of relevant information with the help of technology. In one of the earlier studies undertaken in 1999, Drucker had alerted the business community as a whole about the importance of managing information about all aspects of their businesses and now all companies have become sensitized to the value of managing knowledge which can enable them to arrive at decisions that will help them to compete and survive in today's cut throat competitive environment.

The need for proper management of information and for conversion of this information into knowledge, the concept of Knowledge Management has become an integral aspect of the strategic management process of any organization. Knowledge Management (KM) is a crucial management concept in the business world today and thus has been in receipt of substantial attention from members of both industry and academia alike. There has been considerable thought being given to the area of KM and a majority of the world's most successful corporations, businesses, and organizations are spending considerably in augmenting their Knowledge Management capabilities (Alvesson and Karreman, 2001).

Organizations have been managing knowledge indirectly in a number of ways but for proper and active knowledge management what is required is a more systematic process which helps in effective utilization of this knowledge by the whole organization. KM encompasses a group of administrative activities intended at designing and influencing knowledge establishment and integration (including procedures of distribution of knowledge) (Foss & Mahnke, 2003; McIver et al, 2013). Proper Knowledge Management incorporates three main elements – combining learning cycles in all actions of an organization; building systems for applying enhanced knowledge in all the undertakings of the organization; and thus, in the process discovering ways to aid in the conversion of knowledge of individuals into organizational knowledge, and vice versa (Suresh, 2013).

There are a number of processes being followed in organizations these days to help in managing their knowledge. More and more, organizations are formulating detailed programs which have a knowledge focus. The present paper explores KM practices in a particular industry i.e. the courier industry. KM initiatives in this industry have been explored to gain an understanding of how data is being captured, updated and disseminated by courier companies.

The paper reviews the relevant literature followed by a presentation of the research methodology is presented, analysis and findings. The subsequent discussion section analyzes the paper by presenting the implications of the study undertaken ending with limitations of the present research.

2. Theoretical Framework

Knowledge Management has been defined as the identification, maximum utilization and effective management of knowledge whether personal or organizational (Snowden, 1999). Swan et al. in their study of 1999 have iterated that knowledge management is about making use of the knowledge of individuals so as to improve the intellectual capabilities of an organization. The researchers'

further highlight that organizations should recognize that knowledge gained from information and not simply information, is the principal basis of an organization's inventive possibilities. Previous researches have also unearthed the ladder of information/knowledge hierarchy (Boisot, 1995; Davenport & Prusak, 1998; Bell, 1999; Tuomi 1999; Freeman, 2001) starting from data to information to knowledge. This knowledge hierarchy is further manifested in the advancements that have taken place in the area of information systems in the change from data processing to information management to KM. Knowledge Management can similarly be defined as a procedural technique that augments the competence of a company to accumulate and consolidate the knowledge in order to improve their decision making aptitude and business strategy formulation method (Hsu and Shen, 2005; Hsu et al. 2007, Ooi et al., 2009). According to a study by Darroch in 2003, KM can be labeled as a way being followed by companies for improved knowledge establishment and for more effective management of the circulation and sharing of knowledge inside and amongst organizations. Thus, Darroch's description of KM depicts that KM is made out of three main units, which are knowledge procurement, knowledge distribution and knowledge receptiveness. On the other hand, Lee et al. in their study of 2001 emphasize KM as incorporating only two portions, specifically knowledge acquisition and knowledge dissemination. Additionally, from the procedural point of view, KM consists of knowledge creation, knowledge retrieval, knowledge sharing and knowledge application (Nonaka and Takeuchi, 1995). Therefore, it can be said that KM activities cover the aspects of acquisition of knowledge, the dissemination of it as well as the application. These three aspects have been taken as the backdrop for collection of data from the respondents in the current study.

There have been a number of studies which have thrown light on the Knowledge Management practices being used in different industries. A list of some of these studies is given below:

Researchers	Year of Study	Dimension of Research
Ghosh and Scott	2005	KM in health-care and technical support organizations
Hutchinson and Quintas	2008	KM in SMEs
Hallin	2008	KM in hospitality industries
Lakshman	2008	KM from supplier perspective in automobile industries
Balcet and Cnsoni	2007	KM in Brazilian car industry
Li, Yu and Zou	2007	KM in aviation industry
Thomas	2007	KM in oil and gas industry
Olla and Holm	2006	KM in space industries
Singh et al	2006	KM in Indian manufacturing industries
Karunakar	2005	KM in IT industry
Kazi	2005	KM in construction industries
Hung	2005	KM in pharmaceutical industry
Wickramasinghe, Bali and Geisler	2007	KM in healthcare organizations

Table 1

To add to existing knowledge base in the area of knowledge management, the present study has been conducted to analyse some aspects of Knowledge Management in the Courier Industry of India.

3. Objectives of the Present Study

The present study has been undertaken to explore knowledge management practices in a particular industry i.e. courier industry in India. In particular, the research focuses on three aspects related to knowledge management in this industry:

- How knowledge about customers and status gets captured by courier companies?
- How this knowledge is stored and managed by the companies?
- How the knowledge is used by the companies?

4. Data Collection Methodology

The data used in this paper was collected from the branches of eight national level courier companies in Lucknow. The tool employed for generating responses was questionnaire based survey of employees of a particular company. Questions relating to various aspects of data collection/dissemination and usage by courier companies were put forth through the questionnaire. Items for the questionnaire were identified through the study of literature available in this area and on the basis of information collected through focus group discussions (FGD). FGDs were conducted which provided information and understanding of the major factors and aspects associated with KM in the courier industry. Pilot testing of the questionnaire was done with two companies. Unwanted and ambiguous questions were removed and some new alternatives were introduced in the questionnaire. This whole exercise helped in framing the questions for the final questionnaire and also helped in streamlining the information needed to conduct this research.

5. Research Findings and Analysis

5.1. Section A - Capturing of Data by Courier Companies

In order to find out the mode most preferred by customers in getting in touch with the courier companies, the respondents were provided with a list of options. The respondents were asked to rate these options according to their experience of dealing with customers on a four-point modified Likert scale (1= highly uncommon, 2= uncommon, 3= common and 4= highly common). The responses were analyzed by applying Kendall's W test. Table 2 gives the result of the Kendall's W test. As can be seen from the table, the results are significant at 5% significance level since the value of asymptotic significance has come out to be less than 0.05 (0.001). The moderate value of Kendall's W (0.551) shows that there is significant but moderate level of agreement in ordering of factors across respondents. This is an important insight as this moderate level gives the flexibility and power to the courier companies to mould the customers to adopt the technology of getting in touch with them which they feel would be better in terms of knowledge capturing.

N	Kendall's W(a)	Chi-Square	df	Asymp. Sig.
8	0.551	17.647	4	0.001
a Kendall's Coefficient of Concordance				

Table 2: Test Statistics

Table 3 lists the average rank for each variable. Low rank corresponds to the low values of the variable. As can be seen from the table, phone with the highest mean rank is the most preferred and easiest mode accepted by customers, followed by internet (e-mails, e-forms etc.) mode. Postal services are the least preferred mode of interaction adopted by customers.

Customer's mode of getting in touch with courier companies - Kendall's w test	Mean Rank
Customers get in touch through phone	4.44
Customers get in touch through post	1.69
Customers get in touch face to face	3.31
Customers get in touch through internet (email, eforms etc.)	3.38
Customers get in touch through messenger	2.19

Table 3: Customer's mode of getting in touch with courier companies

In order to find out the mode most preferred by companies for getting in touch with their customers, the respondents were provided with a list of options. The respondents were asked to rate these options on a four-point modified Likert scale (1= highly un-preferred, 2= Un-preferred, 3= preferred and 4= highly preferred). The responses were analyzed by applying Kendall's W test. Table 4 gives the result of the Kendall's W test. As can be seen from the table, the results are significant at 5% significance level since the value of asymptotic significance has come out to be less than 0.05 (0.000).

N	Kendall's W(a)	Chi-Square	df	Asymp. Sig.
8	0.676	21.645	4	0.000
a Kendall's Coefficient of Concordance				

Table 4: Test Statistics

Table 5 lists the average rank for each variable. Low rank corresponds to the low values of the variable. As can be seen from the table, phone, with the highest mean rank, is the most preferred and easiest mode adopted by the companies, followed by internet (e-mails, e-forms etc.). Postal services are the least preferred mode of interaction adopted by companies. This is in accordance with the customers' preferences for different modes of interaction with the companies.

Mode of getting in touch with customers – Kendall's W Test	Mean Rank
Mode of getting in touch with customer- phone	4.63
Mode of getting in touch with customer- post	1.75
Mode of getting in touch with customer- internet (e-mail, e-forms etc.)	3.69
Mode of getting in touch with customer- face to face	2.50
Mode of getting in touch with customer- messenger	2.44

Table 5: Mode of getting in touch with customers

5.2. Section B- Information Updation

In order to find out how and what kinds of information are captured, maintained and updated by the courier companies, the respondents were asked to rate the information collection and updation parameters on a four point Likert scale. Table 6 gives the breakup of respondents in terms of their knowledge capturing and its frequency. It can be seen from table 6 that companies prefer to

update various internal/operational information like dispatch status, track of shipment, and customers' database more on a daily basis than on any other frequency.

Updation of info about	Frequency			
	real time	hourly	daily	Total
Dispatch status	12.5%	12.5%	75%	100%
Track of shipments	12.5%	12.5%	75%	100%
Customers	12.5%	0%	87.5%	100%

Table 6: Updation of internal/operational information

In order to find out regularity/frequency of updation of customer's database by the courier companies, the responses were analyzed. Table 7 gives the finding of the study which shows that real time updation of the database is not very regular or frequent with only 12.5% of respondents updating the database on a real-time basis. Majority of the respondents update the database of customers on a daily basis. This seems quite acceptable as each of the courier companies sublet their services to agents across cities. These agents collect deliverables by using manual receipts rather than computerized ones. As a result, these numbers get updated only when they reach the branch offices at the end of the day.

Responses	% of Respondents
Monthly	25.0
Daily	62.5
Real time	12.5

Table 7: Regularity of customer's database

5.3. Section C: Gaining Understanding through Knowledge Capturing and Dissemination

In order to find out the reasons for getting in touch with customers by the companies, the respondents were asked to rate the list of options on a four-point modified Likert scale. The responses were analyzed by applying Kendall's W test. Table 8 gives the result of the Kendall's W test. As can be seen from the table, the results are significant at 5% significance level since the value of asymptotic significance has come out to be less than 0.05 (0.004). The moderate value of Kendall's W (0.474) shows moderate level of agreement in ordering of factors across respondents.

N	Kendall's W(a)	Chi-Square	df	Asymp. Sig.
8	0.474	15.158	4	0.004
a Kendall's Coefficient of Concordance				

Table 8: Test Statistics

Table 9 lists the average rank for each variable. Low rank corresponds to the low values of the variable. As can be seen from the table, companies get in touch with the customers mostly to respond to complaints raised by the customers to display their promptness and commitment to service, followed by finding out the feedback of the service provided.

Reasons for getting in touch with customers - Kendall's w test	Mean Rank
Reason for getting in touch- new schemes	2.81
Reason for getting in touch- feedback	3.44
Reason for getting in touch- response general queries	1.69
Reason for getting in touch- response to complaints	4.19
Reason for getting in touch- response to status queries	2.88

Table 9: Reasons for getting in touch with customers

In order to find out the nature of complaints raised by the customers with regards to the courier companies, the respondents were asked to rank a list of complaints from 1 to 5 where 1 represents the highest rank and 5 the lowest. Thereafter, the responses were analyzed by Friedman test on the ranks. Table 10 gives the test results of the Friedman test. As can be seen from the table, the results are significant at 5% significance level since the value of asymptotic significance has come out to be less than 0.05 (0.001).

N	Chi-Square	df	Asymp. Sig.
7	17.714	4	0.001
a Friedman Test			

Table 10: Test Statistics (a)

Table 11 lists the average rank of each variable. Low rank corresponds to low values of the variable signifying their highest priority in the list. As can be seen from the table, non-availability of the status has been ranked as the major area of complaint with the highest

mean rank being 1.71 (in reverse order). This is followed by lack of information about the service being rendered. The least area of concern is the loss of packet by a courier company.

Areas of complaints - Friedman Test	Mean Rank
Non-availability of status	1.71
Lack of information	2.71
Loss of packet	5.00
Late delivery	2.29
Wrong delivery	3.29

Table 12: Areas of complaints

In order to find out methods adopted by the courier companies in handling customer complaints in case of defaults from the company side, the respondents were asked to rank a list of procedures adopted from 1 to 4 where 1 corresponds to highest rank and 4 the lowest. Thereafter, responses were analyzed through Friedman test. Table 11 gives the result of the Friedman test. As can be seen from the table, the results are significant at 5% significance level since the value of asymptotic significance has come out to be less than 0.05 (0.001).

N	Chi-Square	Df	Asymp. Sig.
8	17.526	3	0.001
a Friedman Test			

Table 13: Test Statistics (a)

Table 13 lists the average rank of each variable. Low rank corresponds to low values of the variable signifying their highest priority in the list. As can be seen from the table, compensation has been ranked as the most preferred method of complaint handling with the highest mean rank being 1.38 (in reverse order). This is followed by providing a free delivery of the shipment. Companies specify that they do not believe in taking no action to satisfy an aggrieved customer.

Handling of complaints - Friedman test	Mean Rank
Compensation	1.38
Discount	3.00
Free delivery	1.88
No action	3.75

Table 13: Handling of complaints

6. Conclusion and Implications

Knowledge management is fast gaining momentum. It is becoming imperative for companies to adopt KM practices to gain competitive advantage. KM, now a distinct domain of research and practice, has its roots in many disciplines. As a result, it has applicability in wide variety of situations and practices. This has led to its growth in the last few decades. But we argue that without sufficient cross-pollination of ideas and applicability in the market, KM would always be treated as a developing field. The present study is an effort to bridge this gap by gaining an insight into the usage of KM concepts and practices in a particular industry to better connect to the real owners and stakeholders of knowledge management, that is, Customers.

6.1. Section A: Capturing of Data by Courier Companies

The findings related to most preferred mode of customers for getting in touch with courier companies shows that the preferences shown by customers are quite flexible as Kendall's W value (0.551) shows moderate level of agreement in the ordering of preference regarding the mode adopted. This is an important insight for the courier companies as a great deal of opportunity lies in their hands to mould customers to adopt that mode through which they can capture knowledge in the desired manner leading to better knowledge management. This finding gets more strength and corroboration from the findings related to most preferred mode by companies for getting in touch with their customers. The companies too want to capture knowledge through the mode of telecalls with the next most preferred mode as email. Internet based modes – e-mails, e-forms – are also fast catching up and are becoming more acceptable by the companies as an easier mode of knowledge capture. This is clearly supported by the finding showing the e-modes to be the second most preferred mode for companies to get in touch with customers.

6.2. Section B: Information Updation

The findings related to information updation shows that the most preferred frequency of updation of various types of operational information by companies is the daily mode rather than real-time which we normally perceive in today's world. But on second thought it seems quite acceptable and logical as there are hardly 4 to 5 branch offices in a city but umpteen numbers of agents across the city. The companies freely distribute its agency to even shops like kirana stores, mom and pop stores etc. to make them their channel partners hence increasing its span of working and distribution. But the flip side to this is that these stores are not equipped with the latest technology gadgets and hence cannot deal with real time updation leading to inability of courier companies to do so. These

channel partners on one side make the supply chain strong by increasing availability of the service outlets of these courier companies but at the same time act as a weak link in terms of technology usage and handling. This is an important finding from the company's perspective where the courier companies need to understand the opportunity for customer satisfaction and take steps to provide them with better service. Companies can provide gadgets and training to their channel partners through easy and simple installment schemes for expenses incurred on such activities. Such initiatives would be welcomed by agents and the companies would be able to move towards the next stage of data automation, which is real time updation of information. This would certainly go a long way in company's knowledge management initiative.

6.3. Section C: Gaining Understanding through Knowledge Capturing

The findings related to the kind of knowledge capturing undertaken by courier companies shows that companies lay more stress on capturing feedback and data regarding the general queries raised by customers. The approach adopted by companies seems to be a right one as insight gained through customers' feedback can help companies design their policies around providing better services leading to the ultimate goal of customer satisfaction. Capturing knowledge about complaints made by customers is another very important and sensitive area where most of the companies pay due attention. Complaints are an area which needs to be minimized by the company as these are the major cause of customer churn and switching. Frequent areas of complaints are inadequate or non-availability of information about shipments to the customers as per their demand from the company. This non-availability of status or lack of such information leads to information asymmetry which is a major cause of dissatisfaction. Reasons for such mishandling are mostly due to the failure of real-time updation of information which has been discussed under section B. Lukewarm approach of handling customers query can prove detrimental to a company's future prospects.

The findings of the present study will thus be of help to courier companies in better managing their knowledge management initiatives be it knowledge capturing, dissemination or extracting value out of this knowledge captured.

7. Limitations of the Study

The study has been conducted only for eight courier companies of India, though there can be many more at the national or local level. The present study has been limited to the courier industry so the same can be extended across other industries. Though various aspects of knowledge management have been covered in the present study, a further study can be undertaken analysing more aspects to gain comprehensive understanding of KM in this industry.

8. References

- i. Alvesson M., and Karreman D. (2001), "Odd couple: Making sense of the curious concept of knowledge management", *Journal of Management Studies*, 38(7), 995-1015.
- ii. Balcet, G., & Consoni, F. L. (2007). Global technology and Knowledge Management: product development in Brazilian car industry. *International Journal of Automotive Technology and Management*, 7(2-3), 135-152.
- iii. Bell D. (1999), "The axial age of technology", In *The Coming of the Post-Industrial Society* (BELL D, Ed), Foreword 1999 (pp ix–ixxxv), Basic Books, New York.
- iv. Boisot M. (1995), "Information Space: A Framework for Learning in Organizations", Routledge, London.
- v. Darroch J. (2003), "Developing A Measure of Knowledge Management Behaviour and Practices", *Journal of Knowledge Management*, 7(5), 41-54.
- vi. Davenport T. and Prusak L. (1998), "Working Knowledge: How organizations manage what they know", USA: Harvard Business School Press.
- vii. Foss, N. J., & Mahnke, V. (2003). Knowledge Management What Can Organizational Economics Contribute? (No. 03-02). DRUID, Copenhagen Business School, Department of Industrial Economics and Strategy/Aalborg University, Department of Business Studies.
- viii. Freeman L. (2001), "Information systems knowledge: foundations, definitions and applications", *Information Systems Frontiers*, 3(2), 249–266.
- ix. Ghosh, B., & Scott, J. E. (2005). Comparing knowledge management in health-care and technical support organizations. *IEEE Transactions on Information Technology in Biomedicine*, 9(2), 162-168.
- x. Hallin, C. (2008). Knowledge management in the hospitality industry: A review of empirical research, *Tourism Management* Vol.29,(2), 366-381
- xi. Hsu M. H., Ju T. L., Yen C. H., and Chang C. M. (2007), "Knowledge sharing behaviour in virtual communities: The relationship between trust, self- efficacy, and outcome expectations", *International Journal of Human Computer Studies*, 65(2), 153-169
- xii. Hsu S. H. and Shen H. P. (2005), "Knowledge management and its relationship with TQM", *Total Quality Management & Business Excellence*, 16(3), 351-361
- xiii. Hung, Y. C., Huang, S. M., Lin, Q. P., & -Tsai, M. L. (2005). Critical factors in adopting a knowledge management system for the pharmaceutical industry. *Industrial Management & Data Systems*, 105(2), 164-183.
- xiv. Hutchinson, V., & Quintas, P. (2008). Do SMEs do knowledge management? Or simply manage what they know?. *International Small Business Journal*, 26(2), 131-154.
- xv. Karunakar, P. (2005). Knowledge management: a challenge in IT industry. *Electronics information and planning*, 33(1-2), 18-21.

- xvi. Kazi, A. S. (Ed.). (2005). Knowledge management in the construction industry: A socio-technical perspective. IGI Global.
- xvii. Lakshman, C., & Parente, R. C. (2008). Supplier-focused knowledge management in the automobile industry and its implications for product performance. *Journal of Management Studies*, 45(2), 317-342.
- xviii. Lee C. C., Yang J., and Yu L. M. (2001), "The Knowledge of customers and employees in product quality", *Journal of Management Development*, 20(8), 691-704.
- xix. Li, Z., Yu, J., & Zou, Y. (2007). An empirical study on the effect mechanism of Knowledge Management on new product development in aviation industry. In 2007 International Conference on Wireless Communications, Networking and Mobile Computing (pp. 5460-5463). IEEE.
- xx. McIver, D., Lengnick-Hall, C. A., Lengnick-Hall, M. L., & Ramachandran, I. (2013). Understanding work and knowledge management from a knowledge-in-practice perspective. *Academy of Management Review*, 38(4), 597-620.
- xxi. Nonaka I., and Takeuchi H. (1995), "The knowledge creating company: How Japanese companies create the dynamics of innovations", New York, Oxford University Press.
- xxii. Olla, P., & Holm, J. (2006). The role of knowledge management in the space industry: important or superfluous?. *Journal of Knowledge Management*, 10(2), 3-7.
- xxiii. Ooi K. B., The P. L., and Chong A. Y. L. (2009), "Developing an integrated model of TQM and HRM activities", *Management Research*, 32(5), 477-490.
- xxiv. Singh, M. D., Shankar, R., Narain, R., & Kumar, A. (2006). Survey of knowledge management practices in Indian manufacturing industries. *Journal of Knowledge Management*, 10(6), 110-128.
- xxv. Snowden, D. (1999), "A framework for creating a sustainable knowledge management program" In J. W. Cortada & J. A. Woods (Eds.), *The knowledge management yearbook, 1999-2000* (pp. 52-64), Boston: Butterworth-Heinemann.
- xxvi. Suresh, A. (2013). Knowledge Management Adoption, Practice and Innovation in the Indian Organizational Set Up: An Empirical Study. *Journal of Information Technology and Economic Development*, 4(2), 31.
- xxvii. Swan, J., Newell, S., Scarbrough, H., and Hislop, D. (1999), "Knowledge management and innovation: Networks and networking", *Journal of Knowledge Management*, 3(4), 262-275.
- xxviii. Thomas, B. (2007). Knowledge Management and the Oil Industry, *Oil, Gas & Energy Quarterly*, Vol.55, 4, 829-37.
- xxix. Tuomi I. (1999), "Data is more than knowledge: Implications of the reversed knowledge hierarchy for knowledge management and knowledge memory", *Journal of Management Information Systems*, 16(3), 103-117.
- xxx. Wickramasinghe, N., Bali, R. K., & Geisler, E. (2007). The major barriers and facilitators for the adoption and implementation of knowledge management in healthcare operations. *International journal of electronic healthcare*, 3(3), 367-381.